



Testimony of James F. Dunn, President, Alderhouse Residential Communities, Inc. on HB 5006 and others related to the repeal and/or weakening of Sec8-3g of the General Statutes

Good morning Senator Bartolomeo, Representative Butler and members of the Housing Committee,

I am James Dunn, President of Alderhouse Residential Communities, Inc, a 501-c-3 non-profit housing developer located in Middletown. Alderhouse works statewide and has developed affordable housing in a number of cities and towns around the state including East Haven, New Haven, Danbury, Torrington, Middletown, New London and New Britain and New Milford. I am here to speak in opposition to a series of bills designed to repeal or weaken and in effect gut the affordable housing appeals process established under Section 8-30g of the General Statutes. For the record, Alderhouse has never done an 8-30g we are negotiating to by a property that was originally approved under the act but never built. Among these bills, at least one of them is simple and straight forward. HB 5058 calling for the outright appeal of 8-30g is really the goal here. The remaining bills are really trying to do the same thing without saying it but imposing unworkable extra requirements of various types. I oppose them all.

There are several bills, among them HB5429 and HB5626 which allow elderly housing to be counted toward the 10% threshold. Now Alderhouse has developed affordable elderly housing. We have 30 units in 2 communities. We are currently evaluating another project. So we are absolutely not opposed to development of elderly affordable units. We don't need Section 8-30-g to allow for the building of housing for our senior citizens nor should it be used as a substitute for what is really needed.

But affordable housing, especially for families and individuals, is critically needed. While I was preparing this testimony, I received a report from Corporation for Enterprise Development that looked at how Connecticut ranked on a series of issues including financial assets and income, jobs and business growth, education, health care, and housing. The state ranked reasonably well on the income, education and health care measures, not so well on jobs but in housing and home ownership we were terrible. 47th out of 51 states plus the District of Columbia. We ranked 42nd in housing affordability as measured by cost of homes vs. income. We ranked 43rd in home ownership costs with more than 40% of homeowners paying greater than 30% of their income for housing. We ranked 44th in rental costs with more than 55% of renters paying more than 30% of their income for rental costs, the definition of being rent burdened. A few other data points. Connecticut has the 6th highest rentals and the 8th highest home values in the nation.

So we really can't pretend that we don't have a problem, and it is a problem for home owners and for renters. And providing more affordable housing has been identified by virtually every group that looks at the State as an important component of insuring our economic future. The Middlesex County Chamber of Commerce now has a committee to work with towns on this issue. That would have been unthinkable a decade ago.

So how does Section 8-30g fit into all this? It is one of the components that helps get affordable units,

badly needed units built. And it does so in a way that works, that is well known and understood and that protects municipalities as well as developers. Whenever a municipality has documented a legitimate health or safety reason to deny an application, it has been upheld. It is the undocumented "not in the best interest of the town" arguments that get overturned. At least one report I read indicated that through 2010, towns have won about 50% of appeals and developers have won about 50% of appeals. Through 2006 towns won about one third of appeals. To me, if both sides have won their appeals fairly equally, its pretty hard to say the law is biased toward one side or the other, as is sometimes implied. Lately, more projects have been approved after developer/town negotiations, which is really the process as it was supposed to work according to Terry Tondo, one of the original proponents of this law way back in 1989. It should also be noted that the appeals process does not apply to wetlands approvals. Those must follow the normal process.

The process has been helpful in adding both affordable and market rate units to the state's housing stock. Since the most common model under 8-30g is the set-aside approach, projects which over its history included between 20% and now 30% affordable units mixed with market rate units, this process has added several thousand market rate units to the state's housing stock.

The State of Connecticut is undertaking an unprecedented effort to reverse several decades of neglect in the area of affordable housing development. We've just created a new Department of Housing. We as a State are investing hundreds of millions of dollars over the coming decades in expanding housing availability and housing choice. The message is clear that this is a critical need for our future. Section 8-30g is a part of this larger program. It sets a reasonable standard for allowing this badly needed development in all cities and towns of the state. It needs to be preserved.